

This Computes!



Department of Health Care Services Children's Medical Services Network (CMS Net) - Information Bulletin #384

DME: Rent-To-Own vs. Rental Only

CCS Counties are reminded that under provisions of Title 22 California Code of Regulations (CCR), once rental of non-life support durable medical equipment (DME) reaches the purchase price of the DME device, through successive rental periods, the DME is considered to be owned by the client (rent-to-own). No further rental authorizations (using modifier RR) are needed and a purchase authorization (using modifier NU) is **not needed** to transfer ownership of the device to the client. Authorizations for maintenance (and repairs) may be made once the device is considered 'owned' by the client.

Maintenance SARs are not needed during the rental period of a DME device as servicing/maintenance, including repairs, is included in the rental authorization.

Ventilators and other DMEs that require ongoing service or maintenance are exceptions and require ongoing rental authorizations (rent-to-own does not apply).

Please review the Medi-Cal Program guidance on billing for respiratory equipment, found in the Medi-Cal Provider Manual:

http://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/durabilox_y_a04p00.doc

Questions about whether a CPAP or BiPaP device is considered to be a life support device or a respiratory assist device should be directed to the County Medical Consultant and/or Regional Medical Consultant.

Reference:

22 CCR § 51321(c) (5) (C):

(C) Estimated length of need, whether rental or purchase of the item is requested, and associated charges. **Except for life support equipment, such as ventilators, and other equipment that requires ongoing service or maintenance**, when previously paid rental charges equal the maximum allowable purchase price of the rented item, as specified in Section 51521(i), the item is considered to have been purchased and no further reimbursement to the

provider shall be made unless repair or maintenance of the item is separately authorized. When the Department determines it is medically necessary to purchase an unlisted item of durable medical equipment that had been rented for a Medi-Cal patient, the Department and the provider shall determine the purchase price and the amount of the rental charges that may be applied to the purchase price.

If you have any questions, please contact:

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